

State of South Dakota

EIGHTY-FIRST SESSION
LEGISLATIVE ASSEMBLY, 2006

951M0347

SENATE ENGROSSED NO. **HB 1167** - 02/22/2006

This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.

Introduced by: Representatives Wick, Boomgarden, Buckingham, Cutler, Deadrick, Dykstra, Faehn, Frost, Garnos, Glover, Hackl, Halverson, Heineman, Hennies, Hills, Hunhoff, Hunt, Jensen, Klaudt, Koistinen, Kraus, Krebs, Lange, McCoy, McLaughlin, Michels, Murschel, Nelson, Novstrup, Pederson (Gordon), Putnam, Rausch, Rave, Rhoden, Rounds, Schafer, Sebert, Street, Tidemann, Turbiville, Van Etten, Vehle, Weems, and Willadsen and Senators Knudson, Apa, Bogue, Broderick, Duenwald, Earley, Gray, Kelly, Koskan, Lintz, McNenny, Peterson (Jim), Smidt, and Sutton (Dan)

1 FOR AN ACT ENTITLED, An Act to create a tax relief fund and to dedicate certain sales and
2 use tax revenue received by the state through the Streamlined Sales and Use Tax Agreement
3 and to provide compensation to certain retailers for collecting and remitting the sales tax.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

5 Section 1. There is hereby created in the state treasury the tax relief fund. The revenue
6 collected pursuant to section 2 of this Act shall be deposited in the tax relief fund for the
7 purpose of reducing the rate of taxation or reducing property taxes. When the balance in the
8 fund exceeds ten million dollars, a collection allowance established pursuant to section 3 of this
9 Act shall become effective the following July first. The fund shall be invested as provided by
10 law, and the interest earned shall be credited to the fund. The Legislature may not appropriate
11 any money from the tax relief fund until the second fiscal year after Congress approves
12 legislation giving states the authority to require retailers to collect South Dakota's sales and use



1 tax.

2 Section 2. The additional net revenue received by the state from voluntary retail licensees
3 shall be deposited in the tax relief fund created pursuant to section 1 of this Act. For the
4 purposes of this Act, a voluntary retail licensee is any person licensed through the Streamlined
5 Sales and Use Tax Agreement to remit sales and use tax pursuant to chapters 10-45 and 10-46
6 who does not otherwise have a legal obligation to remit such taxes.

7 Section 3. Any person required to file a return and remit the tax imposed by chapter 10-45
8 on a monthly basis and who timely files the return and pays the tax is allowed, as compensation
9 for the expense of collecting and paying the tax monthly, a credit equal to one and one-half
10 percent of the gross amount of the tax due. However, the credit may not exceed seventy dollars
11 per month.